MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2019/2020

DFB5614 – INTRODUCTION TO BUSINESS

(All sections/Groups)

12 MARCH 2020
2.30 p.m – 4.30 p.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 9 pages with 2 sections.
2. Attempt **ALL** questions.
3. Please write all your answers for Section A on the OMR form provided and all answers for Section B in the Answer Booklet provided.

SECTION A: Multiple Choice Questions (40 Marks)

1. International trade agreements, economic conditions, and political unrest are example of factors that will have the greatest impact on what type of business environment?
   A. Global business environment.
   B. Economic environment.
   C. Domestic business environment.
   D. Technological environment.

2. The resources that a country's businesses use to produce goods and services can be referred as _____.
   A. labour
   B. human resources
   C. human capital
   D. factors of production

3. The process for converting government enterprises into individually owned firms is known as _____.
   A. production allocation
   B. privatisation
   C. entrepreneurship
   D. demand assessment

4. _____ is the person who accepts the risks and opportunities inherent in a new business opportunity.
   A. Capital managers
   B. Entrepreneurs
   C. Human resources
   D. Managers

5. _____ is the point at which the supply curve intersects with the demand curve on a graph.
   A. Equilibrium price
   B. Decision point
   C. Surplus price
   D. Perfect price

Continued...

6. After introducing a new product, the company received high demand in the market. How should the company react?
   A. Increase the supply of the product.
   B. Decrease the supply of the product.
   C. Reduce the price of the product.
   D. Maintain the current supply until demand falls.

7. Which term refers to the pattern of short term ups and downs in an economy?
   A. Aggregate output.
   B. Business cycle.
   C. Standard of living.
   D. Balance of payments.

8. When the products of each firm are so similar and buyers view them as identical in a specific industry, what is likely to occur?
   A. Competitive advantage.
   B. An oligopoly.
   C. Private enterprise.
   D. Perfect competition.

9. _____ is defined as independent and has little influence on its market.
   A. Corporation
   B. Joint venture
   C. Small business
   D. Partnership

10. What does an entrepreneur use to summarise his or her business strategy for a proposed new venture?
    A. Success chart.
    B. Director's guideline.
    C. Financial blueprint.
    D. Business plan.

11. What is the **MOST** important disadvantage of accepting venture capital?
    A. Sharing company control.
    B. Having to pay high interest rates.
    C. Limiting expansion.
    D. Facing a short repayment period.

Continued...

12. What is the main reason for women to start new businesses?
    A. Limited liability.
    B. Preference for working alone.
    C. Potential tax benefits.
    D. Able to earn more money for family.

13. Which of the following factors is the **MOST** impactful factor to small business failure?
    A. Managerial incompetence or inexperience.
    B. Bad product design.
    C. Legal problems.
    D. Time spent raising capital.

14. Which of the following characteristics is the **MOST** important disadvantage of sole proprietorships?
    A. Short-term focus of shareholders.
    B. Work flexibility.
    C. Low start-up costs.
    D. Unlimited liability.

15. Similar drawback for both sole proprietorship and partnership is _____.
    A. trust
    B. legal standing
    C. continuity
    D. shared vision

16. Which form of business ownership normally generates the **HIGHEST** sales?
    A. Sole proprietorship
    B. Partnership
    C. Cooperative
    D. Corporation

17. _____ are individual beliefs about what is right and wrong or good and bad.
    A. Motivators
    B. Rules
    C. Cultures
    D. Ethics

Continued...

18. Many companies have _____ that formally announce their intent to do business in an ethical manner.
    A. written codes
    B. employees' e-mails
    C. decentralised decision-making practices
    D. social responsibility activities

19. Which of the following occurs when someone uses confidential information to gain from the purchase or sale of stocks?
    A. Identity theft.
    B. A margin purchase.
    C. Insider trading.
    D. Collusion.

20. If a firm hides responsibility for wrongdoing, what type of stance are they taking toward social responsibility?
    A. Responsible.
    B. Obstructionist.
    C. Accommodative.
    D. Proactive.

21. Farm Bist modifies their production process to limit the consumption of valuable resources. What business practice are they engaging in?
    A. Collusion.
    B. Consumerism.
    C. Green marketing.
    D. Recycling.

22. How government can use regulation to encourage social responsibility in an indirect way?
    A. Providing tax incentive.
    B. Supporting shareholders.
    C. Imposing fines to violators.
    D. Enacting laws.

23. _____ is a form of social activism dedicated to protecting the rights of consumers in their dealings with businesses.
    A. Collusion
    B. Consumerism
    C. Accountability
    D. Lobbying

Continued...

24. For small businesses, ethical issues are questions of _____.
    A. individual ethics
    B. Political Action Committees (PACs)
    C. stakeholder ethics
    D. competitor's ethics

25. *Specification of the jobs to be done within an organisation and the ways in which those jobs relate to one another.*

Statement 1

Which term refers to the statement above?
    A. A mission statement
    B. Job specialisation
    C. Role responsibility
    D. Organisational structure

26. The _____ refers to the reporting relationships within a company.
    A. organisational structure
    B. mission and strategy responsibility
    C. areas of specialisation
    D. chain of command

27. What do managers do when the job of a firm is broken down into smaller tasks?
    A. Fragment the task.
    B. Specialise the job.
    C. Respond to the job.
    D. Assign the task.

28. Which of the following is a benefit of job specialisation?
    A. Workers can develop expertise in their jobs.
    B. Workers will not need to be trained.
    C. Jobs become more interesting.
    D. Workers derive more satisfaction from their jobs.

29. Nestle delegates their departments based on areas of production, what type of departmentalisation is being used?
    A. Customer departmentalisation.
    B. Process departmentalisation.
    C. Product departmentalisation.
    D. Functional departmentalisation.

Continued...

30. If Proton Sdn. Bhd. divides the organisation according to the way cars are created, what type of departmentalisation is being used?
    A. Functional departmentalisation.
    B. Process departmentalisation.
    C. Customer departmentalisation.
    D. Geographic departmentalisation.

31. What is the main organisational characteristic of decentralised firms?
    A. Flat.
    B. Tall.
    C. Diverse.
    D. Multi-layered.

32. Which of the following is an informal communications network within the organisation?
    A. Informal groups.
    B. Social groups.
    C. The grapevine.
    D. The corporate structure.

33. Which aspect of the management function involves determining what the organisation needs to do and how best to get it done?
    A. Organising.
    B. Planning.
    C. Controlling.
    D. Processing.

34. Syahmi spends most of his time working with and supervising the employees who report to him. Syahmi can be best referred to as which type of manager?
    A. First-line managers.
    B. Information managers.
    C. Top managers.
    D. Chief executive officers.

35. At the level of _____, managers in specific areas such as marketing, finance, and operations decide how best to achieve corporate goals by performing their functional activities most effectively.
    A. corporate strategy
    B. functional strategy
    C. business strategy
    D. intermediate strategy

Continued...

36. Aliyah has to understand and work well with people in the workplace. What type of skill is needed by her?
    A. Human relations skills.
    B. Technical skills.
    C. Conceptual skills.
    D. Motor skills.

37. If an organisation sets out to increase its productivity of their snack food market by 30 percent during the next eight years, what kind of goal is the organisation setting?
    A. A short-term goal.
    B. An intermediate goal.
    C. A tactical goal.
    D. A long-term goal.

38. Which of the following **BEST** describes a mission?
    A. An objective that a business hopes and plans to achieve.
    B. A broad set of organisational plans for implementing decisions made for achieving organisational goals.
    C. The shared experiences, stories, beliefs, and norms that characterise an organisation.
    D. An organisation's statement of how it will achieve its purpose in the environment in which it conducts business.

39. Which variable of SWOT analysis identifies changing consumer taste, price war with a competitor and new government regulations?
    A. Threats.
    B. Opportunities.
    C. Strategies.
    D. Internal factors.

40. What element of management is being used when a company needs to identify ways in which a company will respond to changes?
    A. Strategy formulation.
    B. Goal setting.
    C. Crisis management.
    D. Contingency planning.

Continued...

SECTION B: Structured Questions (60 Marks)

QUESTION 1

(a) What is the difference between ***leadership*** and ***management*** within an organisation? (4 marks)

(b) Power is the ability to affect the behaviour of others. In organizational settings, there are several kinds of power. Explain any **FOUR (4)** types of leadership power. (8 marks)

Step 1 : Recognising and defining the decision situation
Step 2 : X
Step 3 : Evaluating alternatives
Step 4 : Y
Step 5 : Z
Step 6 : Following up and evaluating the results

Diagram 1 : Steps in the rational decision-making process

(c) Managers and leaders should strive to be rational in making decisions. Diagram 1 shows the steps in the rational decision-making process. Kindly identify X, Y and Z. (3 marks)

(Total marks : 15 marks)

QUESTION 2

(a) Define operations. (2 marks)

(b) List **THREE (3)** differences between service and manufacturing operations. (3 marks)

(c) Describe the **FIVE (5)** most commonly used tools for Total Quality Management (TQM). (10 marks)

(Total marks : 15 marks)

Continued...

QUESTION 3

(a) Every marketing programme must recognise the factors in a company's external environment that might give impact to the business. List **FIVE (5)** external marketing environment.

(5 marks)

(b) *"New products and services are the lifeblood of all businesses"*

In your opinion, explain **THREE (3)** reasons why is it important for a company to develop new products? (6 marks)

(c) List any **FOUR (4)** techniques that organisations use to build relationships with their customers. (4 marks)

(Total marks : 15 marks)

QUESTION 4

(a) Explain the Rule of 72. (2 marks)

(b) Explain **THREE (3)** reasons why people invest their income. (6 marks)

(c) Describe and explain the risk and return relationship. (3 marks)

(d) Provide **TWO (2)** differences between ***bull market*** and ***bear market.*** (4 marks)
Please copy the table below in your answer booklet.

	Bull Market	Bear Market
Stock prices		
Investor's motivation		

(Total marks : 15 marks)

End of Paper